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NEWS HIGHLIGHTS

EST. 2007

OUR VIEWS ON ECONOMIC AND OTHER EVENTS AND THEIR EXPECTED IMPACT ON INVESTMENTS

FEBRUARY 16, 2021

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OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND

PORTLAND 15 OF 15 ALTERNATIVE FUND COMPANY NEWS

Ares Management Corporation – AMP Ltd, one of the largest Australian asset managers, revealed that Ares Management had dropped its AU$6.36 billion (US$4.91 billion) takeover offer. Ares was the sole public suitor for Sydney-based AMP in its entirety after the company announced a portfolio review of all its businesses last year. AMP said that its review of AMP Capital, considered its most valuable unit, was ongoing and that Ares was "engaged" with AMP as part of that process.

GAAP (generally accepted accounting principles) net income attributable to Ares Management Corporation was $79.3 million and $152.1 million, respectively, for the quarter and year ended December 31, 2020. On a basic basis, net income per share was $0.48 and $0.89, while, on a diluted basis, net income was $0.46 and $0.87, respectively, for the quarter and year ended December 31, 2020. After-tax realized income, net of Series A preferred stock dividends, was $160.9 million and $519.0 million or $0.54 and $1.86 per share, respectively, for the quarter and year ended December 31, 2020. Fee related earnings were $127.6 million and $424.5 million, respectively, for the quarter and year ended December 31, 2020. "Ares reported remarkable results for the fourth quarter, concluding a very strong year despite the challenging economic and market conditions brought on by the global pandemic," said Michael Arougheti, Chief Executive Officer and President of Ares. "We achieved records in nearly every financial measure. Full year growth in assets under management (AUM) and fee related earnings both exceeded 30%, supported by record gross fundraising of more than $40 billion and deployment of over $20 billion for 2020. Investors continue to entrust more of their capital to Ares as we demonstrate our consistent fund performance through market cycles and as investors seek higher returning alternatives to traditional investments." Ares declared a quarterly dividend of $0.47 per share of its Class A common stock, a 17.5% increase.

Brookfield Asset Management Inc. today announced financial results for the year ended December 31, 2020, which included net income of US$1.8 billion and record funds from operations (FFO) of $2.1 billion, driven by an increase in fee-related earnings, and the growth and stability of its operating businesses. Net income and FFO were $707 million and $5.2 billion, respectively, for the year. Fee-related earnings contributed $1.4 billion to FFO for the year, representing an increase of 19% from the prior year. Total FFO for the year also benefited from $1.6 billion in disposition gains. Bruce Flatt, CEO of Brookfield, stated, "We ended the year with our best quarter ever, reflecting the continued growth of our asset management franchise and the resiliency of our underlying businesses. Looking forward, we expect 2021 to also be strong as we enter another important phase for our business. We recently started our next round of flagship fundraising, are making progress on significant realizations from earlier vintage funds, and underlying business performance is good and getting better. We invested $44 billion in 2020, while pausing dispositions; but with strong capital markets our activity has picked up dramatically in the first quarter of 2021." The company declared a quarterly dividend of US$0.13 per share (representing $0.52 per annum), representing an increase of approximately 8%. Brookfield raised approximately $40 billion of third-party private fund capital during the year. Fundraising during the year included $12 billion of previously announced commitments to its latest flagship distressed debt fund, $16 billion of commitments to its credit platform, and $4 billion of commitments for its perpetual private strategies. During the quarter, Brookfield also held the final close for its second infrastructure debt fund for $2.3 billion of third-party capital, which is three times larger than its predecessor fund. Total AUM increased to $602 billion and fee-bearing capital now stands at $312 billion as at December 31, 2020. Brookfield generated $1.2 billion of carried interest during the year, and its accumulated unrealized carried interest now stands at $4.7 billion. Brookfield has deployable capital of $77 billion which includes $17 billion of cash, financial assets and undrawn lines of credit in Brookfield and its affiliates and $61 billion of uncalled fund commitments available for new transactions. Brookfield also recently launched its Global Transition Fund, focused on decarbonizing the global energy grid.

Brookfield Infrastructure Partners L.P., a unit of Brookfield Asset Management, said it intends to bid $16.50 a share for the 80% stake it does not already own in Inter Pipeline Ltd., the Calgary-based pipeline and petrochemical company. It is doing so after talks about a potential deal broke off last fall. Brookfield started amassing its position in March, 2020, and now owns 19.65% of the company. Even if Inter Pipeline eventually finds a rival bidder, Brookfield has a large block to vote against it. Brookfield said it is willing to pay up to $4.9-billion in cash and the remainder in shares. In July, 2019, the Inter board turned down a $30-a-share takeover bid from CK Infrastructure Holdings, controlled by billionaire Li Ka-shing.

Reliance Industries Limited - An Indian court lifted an order restraining Future Group from selling its retail assets to Reliance Industries, in a setback to Amazon.com, Inc.'s efforts to block the deal. Delhi High Court on February 8 allowed the sale of Future Retail Ltd's assets, overturning a previous order blocking the US$3.4 billion transaction. The ruling can be appealed in India's Supreme Court. With this order Amazon lost the legal advantage it scored last week in its effort to stop billionaire Mukesh Ambani's Reliance Industries conglomerate from acquiring the retail business that can help India's richest man dominate the estimated $1 trillion market. For Future, the transaction is vital for its survival. Future will go bankrupt if the deal with Reliance falls, its lawyers have argued in court. Representatives for Amazon India and Future Group didn't immediately respond to a request for comments. A Reliance Industries spokesperson declined to comment on the latest order. Amazon wants to enforce a Singapore emergency arbitration tribunal's order that in October said Future Group must not proceed with the deal. Amazon had cited a partnership agreement with a Future Group firm for a customer loyalty promotion business. That pact restricted Future Group's asset sale to Ambani's firm and allowed an arbitrator in Singapore to settle disputes. Future Retail has argued that the pact with another group firm does not bind it and the Singapore's emergency arbitration order is not enforceable in India. Both Reliance Industries and Future Group have in the past reiterated their commitment to closing the deal. The Delhi High Court bench, which will start a detailed hearing of the lawsuit on February 26, said that the prima facie view was that the agreement between Amazon and another Future Group firm cannot be enforced as Future Retail was not a party to that pact. The court also declined Amazon counsel's request to continue the halt for a week to give them time to appeal in the Supreme Court. Amazon had petitioned the Delhi High Court last month to detain Future Group's founder, Kishore Biyani, and seize its assets for violating the arbitration court's order. The legal reprieve for Future Group comes after Amazon wrote letters to Indian regulators seeking to stop approvals for the deal. Despite these objections, the local antitrust regulator gave its approval in November. The stock exchanges said in January that they had no adverse observations.

SoftBank Group Corporation - South Korean e-commerce company Coupang Corp. filed for an initial public offering (IPO) in the U.S. that could raise billions of dollars to battle rivals and kick off a record year for IPOs in the Asian country. The Seoul-based company revealed a surge in net revenue last year to about US$12 billion, almost double the $6.3 billion it made in 2019, according to a prospectus filed with the U.S. Securities and Exchange Commission. It also narrowed losses to a net $474.9 million in 2020, from a loss of about $699 million the year before. Coupang didn't specify the planned timing or size for its IPO, but Bloomberg reported earlier the company's valuation could exceed $30 billion and the offering may come in the second quarter. The company will offer shares on the New York Stock Exchange under the ticker CPNG.

Founded in 2010 by Chief Executive Officer Bom Kim, Coupang has grown faster than the e-commerce market amid fierce competition from retail conglomerates and start-ups. It has also aggressively expanded its delivery and logistics businesses. If Coupang's public offering is successful, it could be another windfall for SoftBank Group and founder Masayoshi Son. SoftBank Group invested $1 billion in the company in 2015 and its Vision Fund put in another $2 billion in 2018, pushing its valuation to about $9 billion. The Japanese conglomerate's stake is about 37% overall, Bloomberg has reported. Son reported a record $8 billion profit from the Vision Fund in the December quarter, boosting SoftBank Group's share price to a two-decade high. The Japanese billionaire has said he wants to take 10 to 20 portfolio companies public each year. Coupang bet big on what it called Rocket Delivery, which started as a one-day service and became even faster with same-day deliveries. Its motto, as laid out in its IPO prospectus - To create a world where customers wonder: "How did I ever live without Coupang?" - may once have sounded like wishful thinking. But during the COVID-19 pandemic, people stuck at home became increasingly dependent on fast deliveries of daily staples and necessities.Coupang reported more than $1 billion in cash and cash equivalents at the end of 2020. Besides SoftBank, its investors include BlackRock Inc. and Sequoia Capital.

SoftBank Group Corp. – ByteDance Ltd. is said to be exploring a sale of the India operations of TikTok to rival unicorn Glance, in an attempt to resuscitate the once-thriving short video sharing app that's been banned indefinitely in the South Asian nation. The discussions have been initiated by Japan's SoftBank Group conglomerate, according to people familiar with the talks, who declined to be identified because the talks are private as well as early and complex. SoftBank Group is a backer of Glance's parent InMobi Pte Limited. as well as TikTok's Chinese parent, ByteDance. The discussions involve four sides, the people said. The talks are between SoftBank Group, ByteDance and Glance and any deal will need a final seal of approval from Indian authorities. India banned thousands of Chinese apps including TikTok last year following intense hostility on the India-China border. SoftBank Group has been attempting to salvage TikTok's India assets and had been hunting for local partners even as the new U.S. administration put on hold the unwinding of the American operations of the popular short video platform. If the talks progress, the Indian government will insist that user data and technology of TikTok stay within its borders, said the people familiar. That's because relations between New Delhi and Beijing remain strained, and India will make no allowances for China-based technology companies, they said. China's new rules around export of technology make the negotiations even more intricate, and any sale of TikTok could need approval from Chinese authorities.

The dramatic reversal in TikTok's fortunes came last summer after the app had hit over 200 million users in India, its biggest market. The Indian government cited threats to its sovereignty and security to outlaw a slew of Chinese apps such as the artificial intelligence-powered TikTok, and last month indicated the ban was permanent. ByteDance then started unwinding its local operations, firing hundreds of Indian employees, many of whom have since gravitated to homegrown rivals.

TikTok's potential partner, Bangalore-headquartered Glance Digital Experience is a mobile content platform started by Harvard Business School alum Naveen Tewari. He is the founder of InMobi, India's first unicorn. Glance's short video sharing platform, 20-month-old Roposo, saw a massive growth spurt after the TikTok ban, and it became a unicorn in December after a funding round by Google Inc. and billionaire Peter Thiel's Mithrill Capital. Dozens of short video app rivals mushroomed in India after the TikTok ban, which accelerated Glance and Roposo's growth and pushed the user base to over 130 million.

SoftBank Group Corporation - Some of the world's largest technology companies are complaining to U.S. antitrust regulators about Nvidia Corp.'s acquisition of Arm Ltd. because the deal will harm competition in an area of the industry that is vital to their businesses. Alphabet Inc.'s Google, Microsoft Corp. and Qualcomm Inc. are among companies worried about the $40 billion deal and are urging antitrust officials to intervene, said people familiar with the process who asked not to be identified because they weren't authorized to speak publicly. At least one of the companies wants the deal killed. Nvidia shares fell as much as 3.1% in New York trading on Friday. The acquisition would give Nvidia control over a critical supplier that licenses essential chip technology to the likes of Apple Inc., Intel Corp., Samsung Electronics Co., Amazon.com Inc. and China's Huawei Technologies Co. U.K.-based Arm is known as the Switzerland of the industry because it licenses chip designs and related software code to all comers, rather than competing against semiconductor companies. The concern is that if Nvidia owns Arm, it could limit rivals' access to the technology or raise the cost of access. Nvidia has argued that the purchase price alone means it has no incentive to mess with that neutrality but some rivals and Arm customers are unconvinced. "As we proceed through the review process, we're confident that both regulators and customers will see the benefits of our plan to continue Arm's open licensing model and ensure a transparent, collaborative relationship with Arm's licensees," an Nvidia spokesperson said in a statement. "Our vision for Arm will help all Arm licensees grow their businesses and expand into new markets." CNBC reported Qualcomm's objections earlier. Before the deal can close, Nvidia must get through a long review process by antitrust officials in the U.S., U.K., European Union and China. Government agencies globally are in the process of reaching out to those they believe may be affected by the transaction. A groundswell of opposition from large tech companies may make it difficult to win approval, delay the process or force concessions that change the value of Arm to Nvidia.

DIVIDEND PAYERS

The Coca Cola Company - KO reported Q4 2020 comparable EPS of US**$0.47**, which compares to consensus $0.42. Total company organic sales down -3% driven by weaker price/mix recovery but Latin America organic sales up +2%. The company commented that unit case volume had been trending down low single digits until lockdowns re-emerged in December and that since that time volumes have been down at a mid-single digit rate. Gross margins down -290 basis points. Operating margins up +250 basis points (versus. +60 basis points) driven by discretion around selling, general and administrative expense (SG&A). Positive pockets of better price/mix: Asia-Pac down just -1%; Bottling Investments Group up +6%; North America up +3%. Guidance **2021**: EPS growth of high single-digits to low double-digits; Cash Flow from operations: at least $10 billion; Capital expenditure: ~$1.5 billion

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

PepsiCo, Inc. (PEP) reported Q4 2020 core EPS of US**$1.47**, which compares to consensus $1.45. Stronger top-line sales carried the beat as margins were in-line. Organic sales up +6% with outperformance driven equally by better volumes and price/mix. (North America organic sales up +5.5%, Europe organic sales up +8% and: Quaker Foods North America up +8%. Gross margins down ~115 basis points. Guidance: Organic sales up +mid-single digits; Constant currency EPS up +high-single digits; Dividends ~$5.8 billion and Share repurchases ~$100 million, though this had already been completed. Looking ahead, our primary take away from the prepared remarks was that presumably, the core business is now on much more solid ground than at the start of Ramon Laguarta's tenure as CEO given what feels like a shift in priorities to sourcing growth from newer opportunities. In particular, the references to international snacks (top 20 snacks markets) and "selected" beverage markets, smaller brands and healthier options all struck us as an evolution versus the dialogue two years ago when Mr. Laguarta first laid out his plan.

Vivendi SA announced that it would "Examine the distribution of 60% of Universal Music Group (UMG) and a listing of UMG by the end of 2021". The proposal is for a distribution of UMG share capital to Vivendi shareholders in the form of an "exceptional distribution" with a listing on the Euronext NV market in Amsterdam. The end of 2021 brings the potential listing forward again from the company's previous timetable which was "by early 2022 at the latest". Vivendi states the motivation for the distribution is to reduce the conglomerate discount and this announcement and structure could help to do that in our view. If 60% of UMG is listed UMG will be more independent and better able to pursue its own growth ambitions and Vivendi states that although the sale of 20% of UMG to a Tencent-led consortium was at a €30 billion valuation "interest has been expressed by other investors at potentially higher prices". **The proposal plans for an Extraordinary Shareholders' Meeting** to be called on 29th March 2021 to modify the company's bylaws. There then would need to be a further Shareholders' meeting to approve the distribution and completion of the transaction before the end of 2021.

LIFE SCIENCES

Telix Pharmaceuticals Limited announced that the Ministry of Health of the Czech Republic is the first European health authority to grant a national authorisation allowing the use of TLX591-CDx (Kit for the preparation of 68Ga-PSMA-11), a radiopharmaceutical targeting Prostate-Specific Membrane Antigen (PSMA) for the imaging of prostate cancer using Positron Emission Tomography (PET). The national authorisation, which is specific to Telix's prostate cancer imaging product, enables Czech physicians to use TLX591-CDx under a Specific Therapeutic Programme (STP), which allows medical products intended for the treatment, prevention or diagnosis of conditions severely affecting human health to be used prior to being granted a full European marketing authorisation. Under the STP authorisation, TLX591-CDx is indicated for the diagnostic imaging of prostate cancer using PET/CT or PET/MRI for the purposes of: primary staging of high-risk disease with a view to early identification of metastases, localisation of prostate cancer in patients with PSA progression following radical treatment and identification of patients with extensive generalised prostate cancer for whom radical life-saving treatment is not indicated. President of the Czech Society of Nuclear Medicine, Dr. David Zogala stated, "The Czech Society of Nuclear Medicine considers this temporary approval of PSMA PET in the Czech Republic to be a very important milestone, with an immense impact on the quality of prostate cancer care. Accessibility to this valuable examination will increase across the Czech Republic, as previously it was limited to one single pioneer hospital in Pilsen. The Society would like to acknowledge all the specialists who have taken part in the preparation of the Programme documentation, the supporting societies, the distributor, and the manufacturer."

Telix Pharmaceuticals Limited announced it has concluded a research cooperation agreement with Heidelberg University Hospital in Germany (UKHD) to develop next generation theranostic radiopharmaceuticals for urologic oncology. Under the terms of the agreement, Telix and UKHD will co-develop new conjugates and constructs for diagnostic and therapeutic ('theranostic') use. The goal of the collaboration is to identify candidates and generate sufficient data to proceed to first in human (FIH) trials, with all candidates being evaluated in a pre-clinical study (in vitro and in vivo analysis, toxicology, and manufacturing suitable for clinical translation).

ECONOMIC CONDITIONS

The U.S. Houses Committee competed the legislative text for the US$1.9 trillion stimulus package and the House budget committee will assemble the different pieces into a single bill this week. The House will vote on the bill next week and then send it to the Senate where revisions are still expected. Some pundits believe the state and local aid provisions and the minimum wage hike proposals may not survive in order to get a final deal through.

The British economy had a decent finish to a brutal year. Real gross domestic product (GDP) rose for the second quarter in a row, up 1% quarter-over-quarter (or 4% annualized.) in Q4, but still 7.8% below year-ago levels. For the year as a whole, real GDP collapsed 9.9% in 2020, which is better than the Bank of England's May 2020 forecast of a 14% plunge, but is still the most since the Great Frost of 1706. On a monthly basis, GDP rose 1.0% in December and on a 3-month moving average basis. The services sector also managed to rebound, with output rising 1.2% in December (or 0.6% in the 3 months leading up to December). Other measures also point to a better hand-off to 2021: industrial production edged up 0.2%, following an upwardly revised November, while manufacturing rose 0.3%. And the broader trade deficit narrowed a bit to £14.3 billion from a near 2-year high of £14.8 billion, boosted by a 1.5% jump in exports (likely last-minute Brexit-related activity) while imports slipped. The deficit with non-EU trading partners also shrank, to £5.2 billion from £5.9 billion in the prior month.

Japan's Q4 was better than expected by economists at +3.0% quarter-over-quarter and +12.7% annualized quarter-over-quarter. Markets were only expecting +2.4% quarter-over-quarter and +10.1% annualized quarter-over-quarter. The drop in private consumption was not as bad as feared and the data saw an expansion in exports and the strongest business spending in five years.

FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now 1.15% and the U.K.'s 2 year/10 year treasury spread is 0.64%. A narrowing gap between yields on the 2 year and 10 year Treasuries is of concern given its historical track record that when shorter term rates exceed longer dated ones, such inversion is usually an early warning of an economic slowdown.

The U.S. 30 year mortgage market rate has increased to 2.73%. Existing U.S. housing inventory is at 2.5 months supply of existing houses - well off its peak during the Great Recession of 9.4 months and we consider a more normal range of 4-7 months.

The VIX (volatility index) is 21.60 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

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Glossary of Terms: 'CET' core equity tier, 'EBITDA' earnings before interest, taxes, depreciation and amortization, 'EPS' earnings per share, 'FCF' free cash flow, 'GDP' gross domestic product, 'ROE' return on equity, 'ROTE' return on common equity, 'ROTCE' return on tangible common equity. 'conjugate' a substance formed by the reversible combination of two or more others.

1.Not all of the funds shown are necessarily invested in the companies listed

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RISK TOLERANCE

Risk tolerance measures the degree of uncertainty that an investor can handle regarding fluctuations in the value of their portfolio. The amount of risk associated with any particular investment depends largely on your own personal circumstances including your time horizon, liquidity needs, portfolio size, income, investment knowledge and attitude toward price fluctuations. Investors should consult their financial advisor before making a decision as to whether this Fund is a suitable investment for them.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. The indicated rates of return are the historical annual compounded total returns including changes in units [share] value and reinvestment of all distributions [dividends] and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. The rates of return are used only to illustrate the effects of the compound growth rate and are not intended to reflect future values of the mutual fund or returns on investment in the mutual fund. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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